



FRANKLIN TEMPLETON INVESTMENTS

Franklin World Perspectives Fund–A (acc) USD

Franklin Templeton Investment Funds

Fund Manager Report

Growth Equity
31 December 2018

Product Details¹

Fund Assets	\$346,644,651.79
Fund Inception Date	14/10/2008
Number of Issuers	253
Bloomberg	TEMWPAU LX
ISIN	LU0390134368
Base Currency	USD
Investment Style	Growth
Benchmark	MSCI All Country World + Frontier Markets Index
Morningstar Category™	Global Large-Cap Growth Equity

Asset Allocation²

Percent of Total	%
Equity	98.31
Cash & Cash Equivalents	1.69
Fixed Income	0.00

Overall Morningstar Rating™³



Fund Description

The fund aims to provide long-term capital appreciation by investing in growth stocks in developed, emerging, and frontier markets across the entire market capitalisation spectrum. The investment managers and the investment co-managers, located in various countries around the globe, will develop local portfolios of securities with the intention to outperform the relevant market of each region. The fund's exposure to various regions and markets may vary from time to time according to the manager's opinion as to the prevailing conditions and prospects for these markets.

Performance Data

Performance Net of Management Fees as at 31/12/2018 (Dividends Reinvested) (%)⁴

	1 Mth	3 Mths	YTD	1 Yr	3 Yrs	5 Yrs	10 Yrs	Since Inception (14/10/2008)
A (acc) USD	-7.10	-14.29	-13.45	-13.45	2.04	1.70	8.82	7.16
Net of Sales Charge - A (acc) USD	-11.75	-18.58	-17.78	-17.78	0.31	0.66	8.26	6.63
MSCI All Country World + Frontier Markets Index USD	-6.99	-12.63	-8.95	-8.95	7.17	4.82	10.03	8.66

Cumulative Performance (%)

	1 Mth	3 Mths	YTD	1 Yr	3 Yrs	5 Yrs	10 Yrs	Since Inception (14/10/2008)
A (acc) USD	-7.10	-14.29	-13.45	-13.45	6.23	8.80	132.73	102.71
Net of Sales Charge - A (acc) USD	-11.75	-18.58	-17.78	-17.78	0.92	3.36	121.10	92.58
MSCI All Country World + Frontier Markets Index USD	-6.99	-12.63	-8.95	-8.95	23.10	26.52	160.12	133.48

Portfolio Manager Insight

Performance Review

QUARTERLY KEY PERFORMANCE DRIVERS

	Stocks	Sectors	Countries
Helped	Apple Inc.	Energy (Underweight)	India (Overweight)
	NextEra Energy, Inc.	Financials (Stock Selection)	Germany (Stock Selection)
	Lamb Weston Holdings, Inc.	Materials (Stock Selection)	Brazil (Stock Selection, Overweight)
Hurt	NVIDIA Corporation	Consumer Discretionary (Stock Selection)	United States (Stock Selection)
	Electronic Arts Inc.	Consumer Staples (Stock Selection)	United Kingdom (Stock Selection)
	BWX Technologies, Inc.	Industrials (Overweight)	China (Stock Selection)

- US-based NVIDIA, which designs graphics processing units, was a detractor following a weak third-quarter earnings report in which demand evaporated for its processors used in cryptocurrency mining. However, we believe NVIDIA's growth opportunities and superior competitive positioning in artificial intelligence, advanced driver assistance systems and gaming have not changed.
- Elsewhere, US-based BWX Technologies, a supplier of nuclear components to the US government, curbed relative performance following a downbeat earnings report. However, we believe the company's core business continues to perform well and should remain stable over the longer term with good visibility.

1. All holdings are subject to change. Holdings of the same issuers have been combined.

- On the upside, a significant underweight in US smartphone and computer hardware firm Apple bolstered relative performance. The stock was down sharply on the quarter amidst increasing worries about slowing demand for its flagship iPhone smartphone.

ONE-MONTH KEY PERFORMANCE DRIVERS

	Stocks	Sectors	Countries
Helped	Glanbia Plc	Financials (Stock Selection)	India (Overweight)
	CSL Limited	Health Care (Stock Selection)	United States (Underweight)
	NIKE, Inc. Class B	Communication Services (Stock Selection)	South Korea (Stock Selection)
Hurt	FedEx Corporation	Industrials (Stock Selection, Overweight)	United Kingdom (Stock Selection)
	Constellation Brands, Inc. Class A	Consumer Staples (Stock Selection)	France (Stock Selection)
	Concho Resources Inc.	Utilities (Underweight)	China (Stock Selection)

- In industrials, US-based delivery firm FedEx detracted from relative performance after warning of the potential for a more significant slowdown in Europe. Business in the United States has been firmer, however. While we see some risk of a slowdown, we remain optimistic about FedEx's long-term prospects as it should continue to benefit from increased shipping activity over time.
- With oil prices falling significantly, US-based oil and gas exploration and production company Concho Resources was weak in December. The decline in the shares looks excessive to us and any rebound in oil prices over time should benefit the company.
- On the upside, Ireland-based cheese and nutritional supplements manufacturer Glanbia outperformed on strong demand for more defensive names during a volatile quarter. Moreover, the company continues to demonstrate solid fundamentals and announced an acquisition of SlimFast to broaden its nutritional supplement product offering.

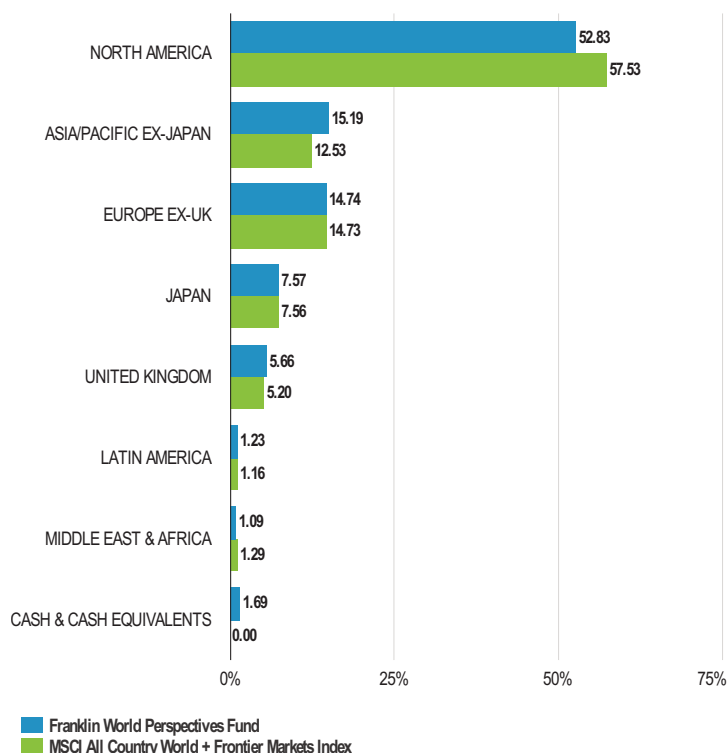
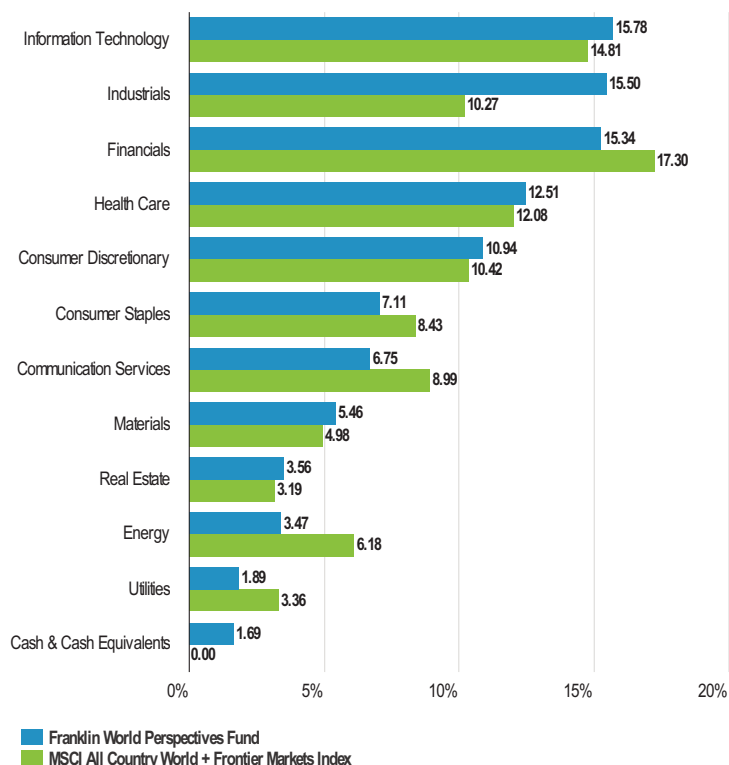
Outlook & Strategy

- We expect a choppy trading environment for stocks in 2019 as equity markets continue to grapple with the uncertainties surrounding the ongoing trade war, higher US interest rates, a slowdown in China and European politics.
- However, we see some positives for equities, including a potentially weaker US dollar and lower energy prices. We believe the ability of major oil producers to fix prices through production cuts has collapsed, leaving supply and demand fundamentals to drive the price of crude. Moreover, in our assessment, cheaper energy could be the single most important factor for increased economic activity over time.
- In this environment, we are likely to see more opportunities in international markets, mainly in Asia. India and China continue to grow and should get help from lower energy costs. Furthermore, we believe Chinese policymakers have far greater room to provide stimulus to support growth than their developed-market counterparts.
- We also see opportunities in emerging markets like Brazil and Turkey. Brazil's new president looks likely to pass a number of market-friendly reforms, while Turkey can stabilise and recover after a difficult 2018.
- With interest rates rising, we also expect companies that are able to post steady earnings growth and that have low debt levels to look relatively more attractive than the growth companies that have led the market higher over the past few years.

Portfolio Characteristics⁵

	Portfolio	MSCI All Country World + Frontier Markets Index
Price to Earnings (12 Month Trailing)	18.31x	15.46x
Price to Book	2.59x	2.05x
Price to Cash Flow	12.79x	9.94x
Market Capitalisation (Millions in USD)	102,022	107,663
Price to Earnings Growth Ratio	1.50x	1.28x
3-Year Sales Growth	11.02%	7.14%
Estimated 3-5 Yr EPS Growth	13.90%	11.62%
Price to Earnings (12 Month Forward)	17.37x	13.79x

Portfolio Diversification

Geographic Weightings vs. MSCI All Country World + Frontier Markets Index²
Percent of TotalSector Weightings vs. MSCI All Country World + Frontier Markets Index²
Percent of TotalTop ten Holdings⁶

Percent of Total

Top Holdings	Sector	%
AMAZON.COM INC	Retailing	2.38
MICROSOFT CORP	Software & Services	1.83
ALPHABET INC	Media & Entertainment	1.77
MASTERCARD INC	Software & Services	1.51
ANALOG DEVICES INC	Semiconductors & Semiconductor Equipment	1.50
UNITEDHEALTH GROUP INC	Health Care Equipment & Services	1.49
NEXTERA ENERGY INC	Utilities	1.44
CHARLES SCHWAB CORP	Diversified Financials	1.43
BLACKROCK INC	Diversified Financials	1.30
NIKE INC	Consumer Durables & Apparel	1.26

Supplemental Performance Statistics

Supplemental Risk Statistics⁷

	3 Yrs	5 Yrs	10 Yrs	Since Inception
Standard Deviation (%)				
Franklin World Perspectives Fund	11.55	11.20	14.18	14.30
MSCI All Country World + Frontier Markets Index	10.47	10.77	14.57	14.66
Tracking Error (%)	3.07	3.20	3.33	3.31
Information Ratio⁸	-1.68	-0.97	-0.37	-0.37
Beta	1.06	1.00	0.95	0.95
Sharpe Ratio				
Franklin World Perspectives Fund	0.09	0.10	0.60	0.55
MSCI All Country World + Frontier Markets Index	0.59	0.39	0.66	0.62

7. Beta, Information Ratio and Tracking Error information are measured against the MSCI All Country World + Frontier Markets Index.

For use by brokers/dealers or intended institutional investor recipients only and cannot be disseminated further.

Investment Team

Portfolio Manager	Years with Firm	Years Experience
Stephen Dover, CFA	21	35
Purav Jhaveri, CFA	18	25

What Are the Key Risks?

The value of shares in the Fund and income received from it can go down as well as up and investors may not get back the full amount invested. Performance may also be affected by currency fluctuations. Currency fluctuations may affect the value of overseas investments. The Fund invests mainly in equity and equity-related securities of companies around the world, including emerging markets. Such securities have historically been subject to significant price movements that may occur suddenly due to market or company-specific factors. As a result, the performance of the Fund can fluctuate considerably over time. Other significant risks include: currency risk, emerging markets risk, liquidity risk, operational risk, Shanghai-Hong Kong Stock Connect risk. For full details of all of the risks applicable to this Fund, please refer to the “Risk Considerations” section of the Fund in the current prospectus of Franklin Templeton Investment Funds.

Important Legal Information

This document is for information only and does not constitute investment advice or a recommendation and was prepared without regard to the specific objectives, financial situation or needs of any particular person who may receive it. Any research and analysis contained in this presentation has been procured by Franklin Templeton Investments for its own purposes and may be acted upon in that connection and, as such, is provided to you incidentally. Any views expressed are the views of the fund manager and do not constitute investment advice. The underlying assumptions and these views are subject to change. Franklin Templeton Investments accepts no liability whatsoever for any direct or indirect consequential loss arising from the use of any information, opinion or estimate herein. **The value of investments and the income from them can go down as well as up and you may not get back the full amount that you invested.**

Any prediction, projection or forecast on the economy, stock market, bond market or the economic trends of the markets is not necessarily indicative of the future or likely performance.

Past performance or any prediction or forecast is not necessarily indicative of future performance of the Fund. Subscriptions may only be made on the basis of the most recent Prospectus and Product Highlights Sheet which is available at Templeton Asset Management Ltd or our authorised distributors. Potential investor should read the details of the Prospectus and Product Highlights Sheet before deciding to subscribe for or purchase the Fund. This shall not be construed as the making of any offer or invitation to anyone in any jurisdiction in which such offer is not authorised or in which the person making such offer is not qualified to do so or to anyone to whom it is unlawful to make such an offer. In particular, this Fund is not available to U.S. Persons and Canadian residents.

Investors may wish to seek advice from a financial adviser before making a commitment to invest in shares of the Fund. In the event an investor chooses not to seek advice from a financial adviser, he/she should consider whether the Fund is suitable for him/her.

Copyright© 2019 Franklin Templeton Investments. All rights reserved.

Issued by Templeton Asset Management Ltd. Registration No. (UEN) 199205211E

The Fund may utilise financial derivative instruments for hedging purposes and/or efficient portfolio management.

In addition, it should not be assumed that any securities mentioned were or will prove to be profitable. Stocks mentioned in this report are not a solicitation to purchase those stocks, and are examples of some stocks which performed well. Not all stocks in the portfolio performed as well. For the most current information on the fund, please contact your Franklin Templeton marketing representative.

Performance figures are not based on audited financial statements and assume reinvestment of interest and dividends. When comparing the performance of Franklin Templeton Investment Funds (the "Fund") with a benchmark index, it is important to note that the securities in which the Fund invests may be substantially different than those represented by the benchmark index. Furthermore, an investment in Franklin Templeton Investment Funds represents an investment in a managed investment company in which certain charges and expenses, including management fees, are applicable. These charges and expenses are not applicable to indices. Lastly, please note that indices are unmanaged and are not available for direct investment. Certain data and other information shown have been supplied by outside sources. While we consider that information to be reliable, we give no assurance that such data and information is accurate or complete.

The indices include a greater number of securities than those held in the Fund.

CFA® and Chartered Financial Analyst® are trademarks owned by CFA Institute.

MSCI makes no warranties and shall have no liability with respect to any MSCI data reproduced herein. No further redistribution or use is permitted. This report is not prepared or endorsed by MSCI.

Important data provider notices and terms available at www.franklintempletondatasources.com.

2. Information is historical and may not reflect current or future portfolio characteristics. Percentage may not equal 100% due to rounding. All holdings are subject to change.
3. ©2019 Morningstar, Inc. All rights reserved. The information contained herein is proprietary to Morningstar and/or its content providers; may not be copied or distributed; and is not warranted to be accurate, complete or timely. Neither Morningstar nor its content providers are responsible for any damages or losses arising from any use of this information.
4. Source for all information is Franklin Templeton Investments. Benchmark related data provided by FactSet. Fund performance computed in share class currency, on NAV-NAV basis and dividends reinvested. Net of Sales Charge figures are after 5% sales charge. Past performance is no guarantee of future results. Portfolio holdings are subject to change. Periods greater than one year are shown as average annual total returns. Other commissions, taxes and other relevant costs paid by investor are not included.
5. The portfolio characteristics listed are based on the fund's underlying holdings, and do not necessarily reflect the fund's characteristics. Due to data limitations all equity holdings are assumed to be the primary equity issue (usually the ordinary or common shares) of each security's issuing company. This methodology may cause small differences between the portfolio's reported characteristics and the portfolio's actual characteristics. In practice, Franklin Templeton's portfolio managers invest in the class or type of security which they believe is most appropriate at the time of purchase. The market capitalisation figures for both the portfolio and the benchmark are at the security level, not aggregated up to the main issuer. Source: Factset. Price ratio calculations for weighted average use harmonic means. Any exceptions to this are noted. The Estimated 3-5 Year EPS Growth uses simple weighted average means. There can be no assurance that the Estimated 3-5 Year EPS Growth will be realised. Information is historical and may not reflect current or future portfolio characteristics. All holdings are subject to change.
6. Holdings of the same issuers have been combined. Top ten holdings information is historical and may not reflect current or future portfolio characteristics. All holdings are subject to change. The information provided is not a recommendation to purchase, sell, or hold any particular security. The securities identified do not represent the fund's entire holdings and in the aggregate may represent only a small percentage of such holdings. There is no assurance that securities purchased will remain in the fund, or that securities sold will not be repurchased. The portfolio manager for the fund reserves the right to withhold release of information with respect to holdings that would otherwise be included.
8. Information Ratio is a way to evaluate a manager's ability to outperform a benchmark in relation to the risk that manager is assuming, with risk defined as deviation from the benchmark. This measure is calculated by dividing the portfolio's excess return (portfolio return less the benchmark return) by the tracking error (derived by taking the standard deviation of the monthly differences between the portfolio return and the benchmark return over time).



**FRANKLIN TEMPLETON
INVESTMENTS**

www.franklintempleton.com.sg

For use by brokers/dealers or intended institutional investor recipients only and cannot be disseminated further.